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# Nonresident Withholding Tax Statement for Real Estate Sales

597

Buyer or other Transferee: Name, address, state and ZIP Code

Are there other buyers?

☐ Yes☐ No

Buyer's social security number (SSN)

Buyer's ☐ California corporation no. ☐ FEIN

Seller or Transferor: Name, address, state and ZIP Code

Ownership percentage

Seller's SSN

Seller's spouse's SSN (if jointly owned)

Seller's ☐ California corporation no. ☐ FEIN

Escrow company: Name, address, state and ZIP Code

Escrow company tax ID number

Escrow company telephone number

( )

Address (or parcel number and county) of the California real property transferred

Amount Withheld

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Check One: ☐ 3 1/3% ☐ Reduced ☐ 7% of boot

Confirmation number

(Provide the confirmation number if a Real Estate Withholding Determination letter was received.)

Escrow Number

Date of transfer (Close of escrow)

Sales price of the California real property transferred

Under penalties of perjury, I declare that I have examined this statement and accompanying attachments and to the best of my knowledge and belief, it is true, correct and complete.

Signature of preparer

Title

Preparer's SSN/FEIN

Preparer's telephone number:

( )

Copy A to be filed with the Franchise Tax Board

For Privacy Act Notice see form FTB 1131 (individuals only)

## General Information

References in these instructions are to the California Revenue and Taxation Code (R&amp;TC).

### A Purpose

R&TC Section 18662(e)(1) requires the buyer (transferee) to withhold 3 1/3% of the sales price on the disposition of California real estate when the funds are to be disbursed either to a seller (transferor) with a last known address outside of California at the time of the transfer of the real estate, or to the financial intermediary of the seller.

In the case of an exchange as defined under Internal Revenue Code (IRC) Section 1031, the intermediary is required to withhold 7% of the cash or cash equivalent (boot) received by the transferor(s) or their beneficiary(ies) if such boot exceeds \$1,500. However, the amount withheld is not to exceed 3 1/3% of the sales price.

Sellers should attach Copy B to their income tax return to claim a credit for withholding.

### B Who Must File

A buyer or other transferee of California real estate that is required to withhold tax must file Copy A of Form 597 to report and remit the amount withheld. If two or more persons are joint transferees, each is jointly and severally obligated to ensure that the total required amount of withholding is remitted to the Franchise Tax Board (FTB). However, the obligation of each will be met if one of the joint transferees withholds and transmits to the FTB the required amount.

Enter the information for only one buyer on Form 597 and check the box that indicates if there are other buyers.

### C When and Where to File

The buyer or other transferee is required to file Copy A of Form 597 and pay the amount of tax withheld within 20 days following the end of the month in which the transaction occurred.

In some situations an exemption from withholding is allowed for the sale of California real estate. Use Form 590-RE, Withholding Exemption Certificate for Real Estate Sales. If no situation allowing exemption applies and withholding will exceed the tax due on the sale, the transferor may request the FTB to eliminate or reduce withholding by completing and submitting Form 597-A, Nonresident Withholding Waiver Request for Real Estate Sales. See Form 597-A for exemptions from withholding.

If the request to eliminate or reduce withholding has not been made, or the response from the FTB has not been received by the time title is transferred, the parties may direct the escrow person to hold funds for withholding in trust for 45 days. At the end of 45 days, the escrow person shall remit the statutory withholding amount or the authorized reduced withholding amount to the FTB.

The buyer or other transferee must file Copy A of Form 597 and withhold tax within the specified period regardless of whether or not the seller or transferor has a social security number (SSN), California corporation number or federal employer identification number (FEIN).

If there are multiple sellers or transferors, some of whom are nonresidents of California, withholding of 3 1/3% is required on the **total** sales price and is to be allocated among the nonresident sellers unless a waiver or reduced withholding amount is granted by the FTB. **A separate Form 597 must be filed for each person who has had an amount withheld.** You may include both spouses on the same Form 597 if they owned the property jointly.

Mail **Copy A** of Form 597 with payment to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001

Distribute the other copies of Form 597 as follows:

- **Copy B** – Send to sellers. Sellers must attach this copy to their California tax return to claim credit for withholding.

- **Copy C** – Send to sellers for their records.
- **Copy D** – Retained by withholding agent.

### D Interest and Penalties

The law provides for the assessment of interest on late payments of withholding. Interest is computed from the due date to the date paid.

Failure to file Form 597 and pay the withholding within the time prescribed may make the withholding agent liable for penalties.

Failure to withhold after notification may result in penalties for the transferee of \$500 or 10% of the required withholding, whichever is greater.

Failure to notify the transferee to withhold may result in penalties for the real estate escrow person of \$500 or 10% of the required withholding, whichever is greater.

### E Additional Information

For more information on real estate withholding, get FTB Pub. 1016, Nonresident Withholding Real Estate Guidelines. To get a withholding form or publication or to speak to a representative, contact the FTB Nonresident Withholding Section automated telephone service at (916) 845-4900.

For information on requirements to file a California tax return or to obtain forms:

Call From within the United States (800) 852-5711  
From outside the United States (916) 845-6500  
For hearing impaired with TDD  
from within the United States (800) 822-6268

If you have Internet access, you may download, view and print California tax forms from the FTB website at: <http://www.ftb.ca.gov>

#### Bilingual Assistance

Para obtener servicios en español bilingüe de información sobre impuestos o formularios, llame al número de teléfono (anotado arriba) que le corresponde.

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## Nonresident Withholding Tax Statement for Real Estate Sales

597

Buyer or other Transferee: Name, address, state and ZIP Code															<b>Are there other buyers?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No					Buyer's social security number (SSN) <div></div>														
Seller or Transferor: Name, address, state and ZIP Code															Ownership percentage					Seller's SSN														
															<div></div>					Seller's spouse's SSN (if jointly owned) <div></div>														
Escrow company: Name, address, state and ZIP Code															Seller's <input type="checkbox"/> California corporation no. <input type="checkbox"/> FEIN <div></div>																			
															Escrow company tax ID number										Escrow company telephone number									
Address (or parcel number and county) of the California real property transferred															Amount Withheld <div></div>																			
															Check One: <input type="checkbox"/> 3 1/3% <input type="checkbox"/> Reduced <input type="checkbox"/> 7% of boot																			
<b>Confirmation number</b>															(Provide the confirmation number if a Real Estate Withholding Determination letter was received.)																			
Escrow Number															Date of transfer (Close of escrow)										Sales price of the California real property transferred									
Under penalties of perjury, I declare that I have examined this statement and accompanying attachments and to the best of my knowledge and belief, it is true, correct and complete.																																		
Signature of preparer															Title										Preparer's SSN/FEIN					Preparer's telephone number:				
																														( )				

**Copy B** to be filed with seller's or transferor's California tax return

For Privacy Act Notice see form FTB 1131 (individuals only)

Attach top portion to the front of your California tax return.

59798109

----- DETACH HERE -----

### Instructions for Seller or Transferor

The withholding of tax does not relieve you from the requirement to file a California income tax return within three months and fifteen days (two months and fifteen days for a corporation) after the close of your taxable or income year.

Even if you are not required by law to file a return, you should file a return if California tax has been withheld.

**You must attach the top portion of Form 597, Copy B to the front of your California tax return.** Nonresident individuals must file Form 540NR, California Nonresident or Part-Year Resident Income Tax Return; corporations must file Form 100, California Corporation Franchise or Income Tax Return; and S corporations must file Form 100S, California S Corporation Franchise or Income Tax Return. Enter the amount of California withholding from Form 597 on the appropriate line of the return being used.

For information on requirements to file a California tax return or to obtain forms:

Call: From within the US . . . . . (800) 852-5711  
From outside the US . . . . . (916) 845-6500  
For hearing impaired with TDD . . . (800) 822-6268

OR     Write:    TAX FORMS REQUEST SECTION  
FRANCHISE TAX BOARD  
PO BOX 307  
RANCHO CORDOVA CA 95741-0307

If you have Internet access, you may download, view and print California tax forms from the FTB website at: <http://www.ftb.ca.gov>

For additional information or to speak to a representative regarding this form call the Nonresident Withholding Section automated telephone service at: (916) 845-4900

OR     Write:    NONRESIDENT WITHHOLDING SECTION  
FRANCHISE TAX BOARD  
PO BOX 651  
SACRAMENTO CA 95812-0651

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# Nonresident Withholding Tax Statement for Real Estate Sales

597

Buyer or other Transferee: Name, address, state and ZIP Code

Are there other buyers?

☐ Yes☐ No

Buyer's social security number (SSN)

Buyer's ☐ California corporation no. ☐ FEIN

Seller or Transferor: Name, address, state and ZIP Code

Ownership percentage

Seller's SSN

Seller's spouse's SSN (if jointly owned)

Seller's ☐ California corporation no. ☐ FEIN

Escrow company: Name, address, state and ZIP Code

Escrow company tax ID number

Escrow company telephone number

( )

Address (or parcel number and county) of the California real property transferred

Amount Withheld

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Check One: ☐ 3 1/3% ☐ Reduced ☐ 7% of boot

Confirmation number

(Provide the confirmation number if a Real Estate Withholding Determination letter was received.)

Escrow Number

Date of transfer (Close of escrow)

Sales price of the California real property transferred

Under penalties of perjury, I declare that I have examined this statement and accompanying attachments and to the best of my knowledge and belief, it is true, correct and complete.

Signature of preparer

Title

Preparer's SSN/FEIN

Preparer's telephone number:

( )

Copy C for seller's or transferor's record

For Privacy Act Notice see form FTB 1131 (individuals only)

## General Information

References in these instructions are to the California Revenue and Taxation Code (R&amp;TC).

### A Purpose

R&TC Section 18662(e)(1) requires the buyer (transferee) to withhold 3 1/3% of the sales price on the disposition of California real estate when the funds are to be disbursed either to a seller (transferor) with a last known address outside of California at the time of the transfer of the real estate, or to the financial intermediary of the seller.

In the case of an exchange as defined under Internal Revenue Code (IRC) Section 1031, the intermediary is required to withhold 7% of the cash or cash equivalent (boot) received by the transferor(s) or their beneficiary(ies) if such boot exceeds \$1,500. However, the amount withheld is not to exceed 3 1/3% of the sales price.

Sellers should attach Copy B to their income tax return to claim a credit for withholding.

### B Who Must File

A buyer or other transferee of California real estate that is required to withhold tax must file Copy A of Form 597 to report and remit the amount withheld. If two or more persons are joint transferees, each is jointly and severally obligated to ensure that the total required amount of withholding is remitted to the Franchise Tax Board (FTB). However, the obligation of each will be met if one of the joint transferees withholds and transmits to the FTB the required amount.

Enter the information for only one buyer on Form 597 and check the box that indicates if there are other buyers.

### C When and Where to File

The buyer or other transferee is required to file Copy A of Form 597 and pay the amount of tax withheld within 20 days following the end of the month in which the transaction occurred.

In some situations an exemption from withholding is allowed for the sale of California real estate. Use Form 590-RE, Withholding Exemption Certificate for Real Estate Sales. If no situation allowing exemption applies and withholding will exceed the tax due on the sale, the transferor may request the FTB to eliminate or reduce withholding by completing and submitting Form 597-A, Nonresident Withholding Waiver Request for Real Estate Sales. See Form 597-A for exemptions from withholding.

If the request to eliminate or reduce withholding has not been made, or the response from the FTB has not been received by the time title is transferred, the parties may direct the escrow person to hold funds for withholding in trust for 45 days. At the end of 45 days, the escrow person shall remit the statutory withholding amount or the authorized reduced withholding amount to the FTB.

The buyer or other transferee must file Copy A of Form 597 and withhold tax within the specified period regardless of whether or not the seller or transferor has a social security number (SSN), California corporation number or federal employer identification number (FEIN).

If there are multiple sellers or transferors, some of whom are nonresidents of California, withholding of 3 1/3% is required on the **total** sales price and is to be allocated among the nonresident sellers unless a waiver or reduced withholding amount is granted by the FTB. **A separate Form 597 must be filed for each person who has had an amount withheld.** You may include both spouses on the same Form 597 if they owned the property jointly.

Mail **Copy A** of Form 597 with payment to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001

Distribute the other copies of Form 597 as follows:

- **Copy B** – Send to sellers. Sellers must attach this copy to their California tax return to claim credit for withholding.

- **Copy C** – Send to sellers for their records.
- **Copy D** – Retained by withholding agent.

### D Interest and Penalties

The law provides for the assessment of interest on late payments of withholding. Interest is computed from the due date to the date paid.

Failure to file Form 597 and pay the withholding within the time prescribed may make the withholding agent liable for penalties.

Failure to withhold after notification may result in penalties for the transferee of \$500 or 10% of the required withholding, whichever is greater.

Failure to notify the transferee to withhold may result in penalties for the real estate escrow person of \$500 or 10% of the required withholding, whichever is greater.

### E Additional Information

For more information on real estate withholding, get FTB Pub. 1016, Nonresident Withholding Real Estate Guidelines. To get a withholding form or publication or to speak to a representative, contact the FTB Nonresident Withholding Section automated telephone service at (916) 845-4900.

For information on requirements to file a California tax return or to obtain forms:

Call From within the United States (800) 852-5711  
From outside the United States (916) 845-6500  
For hearing impaired with TDD  
from within the United States (800) 822-6268

If you have Internet access, you may download, view and print California tax forms from the FTB website at: <http://www.ftb.ca.gov>

#### Bilingual Assistance

Para obtener servicios en español bilingüe de información sobre impuestos o formularios, llame al número de teléfono (anotado arriba) que le corresponde.

Buyer or other Transferee: Name, address, state and ZIP Code					Are there other buyers? <input type="checkbox"/> Yes <input type="checkbox"/> No		Buyer's social security number (SSN)			
							Buyer's <input type="checkbox"/> California corporation no. <input type="checkbox"/> FEIN			
Seller or Transferor: Name, address, state and ZIP Code					Ownership percentage		Seller's SSN			
					<div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>		<div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>			
							Seller's spouse's SSN (if jointly owned)			
							Seller's <input type="checkbox"/> California corporation no. <input type="checkbox"/> FEIN			
Escrow company: Name, address, state and ZIP Code							Escrow company tax ID number			
							Escrow company telephone number			
							( )			
Address (or parcel number and county) of the California real property transferred							Amount Withheld <div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> </div>			
							Check One: <input type="checkbox"/> 3 1/3% <input type="checkbox"/> Reduced <input type="checkbox"/> 7% of boot			

Confirmation number										(Provide the confirmation number if a Real Estate Withholding Determination letter was received.)														
Escrow Number										Date of transfer (Close of escrow)					Sales price of the California real property transferred									
Under penalties of perjury, I declare that I have examined this statement and accompanying attachments and to the best of my knowledge and belief, it is true, correct and complete.																								
Signature of preparer										Title					Preparer's SSN/FEIN					Preparer's telephone number:				
																				(       )				

**Copy D** for withholding agent (buyer or other transferee)

For Privacy Act Notice see form FTB 1131 (individuals only)

## General Information

References in these instructions are to the California Revenue and Taxation Code (R&TC).

## A Purpose

R&TC Section 18662(e)(1) requires the buyer (transferee) to withhold 3 1/2% of the sales price on the disposition of California real estate when the funds are to be disbursed either to a seller (transferor) with a last known address outside of California at the time of the transfer of the real estate, or to the financial intermediary of the seller.

In the case of an exchange as defined under Internal Revenue Code (IRC) Section 1031, the intermediary is required to withhold 7% of the cash or cash equivalent (boot) received by the transferor(s) or their beneficiary(ies) if such boot exceeds \$1,500. However, the amount withheld is not to exceed 3 1/4% of the sales price.

Sellers should attach Copy B to their income tax return to claim a credit for withholding.

## B Who Must File

A buyer or other transferee of California real estate that is required to withhold tax must file Copy A of Form 597 to report and remit the amount withheld. If two or more persons are joint transferees, each is jointly and severally obligated to ensure that the total required amount of withholding is remitted to the Franchise Tax Board (FTB). However, the obligation of each will be met if one of the joint transferees withholds and transmits to the FTB the required amount.

Enter the information for only one buyer on Form 597 and check the box that indicates if there are other buyers.

## C When and Where to File

The buyer or other transferee is required to file Copy A of Form 597 and pay the amount of tax withheld within 20 days following the end of the month in which the transaction occurred.

In some situations an exemption from withholding is allowed for the sale of California real estate. Use Form 590-RE, Withholding Exemption Certificate for Real Estate Sales. If no situation allowing exemption applies and withholding will exceed the tax due on the sale, the transferor may request the FTB to eliminate or reduce withholding by completing and submitting Form 597-A, Nonresident Withholding Waiver Request for Real Estate Sales. See Form 597-A for exemptions from withholding.

If the request to eliminate or reduce withholding has not been made, or the response from the FTB has not been received by the time title is transferred, the parties may direct the escrow person to hold funds for withholding in trust for 45 days. At the end of 45 days, the escrow person shall remit the statutory withholding amount or the authorized reduced withholding amount to the FTB.

The buyer or other transferee must file Copy A of Form 597 and withhold tax within the specified period regardless of whether or not the seller or transferor has a social security number (SSN), California corporation number or federal employer identification number (FEIN).

If there are multiple sellers or transferors, some of whom are nonresidents of California, withholding of 3½% is required on the **total** sales price and is to be allocated among the nonresident sellers unless a waiver or reduced withholding amount is granted by the FTB. **A separate Form 597 must be filed for each person who has had an amount withheld.** You may include both spouses on the same Form 597 if they owned the property jointly.

Mail **Copy A** of Form 597 with payment to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0001

Distribute the other copies of Form 597 as follows:

- **Copy B** – Send to sellers. Sellers must attach this copy to their California tax return to claim credit for withholding.

- **Copy C** – Send to sellers for their records.
- **Copy D** – Retained by withholding agent.

## D Interest and Penalties

The law provides for the assessment of interest on late payments of withholding. Interest is computed from the due date to the date paid.

Failure to file Form 597 and pay the withholding within the time prescribed may make the withholding agent liable for penalties.

Failure to withhold after notification may result in penalties for the transferee of \$500 or 10% of the required withholding, whichever is greater.

Failure to notify the transferee to withhold may result in penalties for the real estate escrow person of \$500 or 10% of the required withholding, whichever is greater.

## E Additional Information

For more information on real estate withholding, get FTB Pub. 1016, Nonresident Withholding Real Estate Guidelines. To get a withholding form or publication or to speak to a representative, contact the FTB Nonresident Withholding Section automated telephone service at (916) 845-4900.

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